
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of

Linda Argo

Director

BILL 17-86

**“Nuisance Properties Abatement Reform and Real
Property Classification Amendment Act of 2007”**

Committee on the Consumer and Regulatory Affairs
Honorable Mary Cheh, Chair

and

Committee on Finance and Revenue
The Honorable Jack Evans, Chair

Council of the District of Columbia

October 24, 2007

Room 120
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004
10:00 a.m.

Good morning Chairman Cheh, Chairman Evans, and members of the Committee on Public Services and Consumer Affairs and the Committee on Finance and Revenue. For the record, I'm Linda Argo Director for the Department of Consumer and Regulatory Affairs (DCRA).

With me today is Nick Majett, Deputy Director for Enforcement and Compliance. I'm here to testify in support of the permanent version of Bill 17-86, the "Nuisance Properties Abatement Reform and Real Property Classification Amendment Act of 2007."

In May of this year, DCRA testified in support of the temporary legislation because it eliminated redundancies between the Department of Consumer and Regulatory Affairs (DCRA) and the Office of Tax and Revenue (OTR) in vacant property regulation, classification, and enforcement.

Before that Act, DCRA and OTR had concurrent jurisdiction over several components of the statutory scheme for vacant property. This

overlapping and often conflicting scheme left citizens confused and frustrated. For example, a vacant property owner could be exempt from vacant property classification if he or she met one of DCRA's six exemptions. If the owner did *not* qualify for a DCRA exemption, the property would be sent to OTR to be classified and taxed at the vacant property tax rate.

However, OTR would then give the owner another opportunity to be escape vacant property status under one of its eleven exemptions. A property found to be vacant under DCRA's statutory authority could be made exempt under OTR's authority!

In addition, many owners escaped vacant property classification by getting "straw" building permits that they could extend indefinitely, without any good faith construction or rehabilitation efforts.

OTR and DCRA collaborated to come up with recommendations for a more effective vacant property law. The Council included those recommendations in the current temporary legislation that:

1. Vests exclusive vacant property classification authority in DCRA.
2. Establishes DCRA as the customer point of contact for vacant property issues.
3. Reduces the number of exemptions from 17 to 10.
4. Reduces the maximum allowable time for vacant property designation from indefinitely to three years.
5. Establishes an initial appeal process within DCRA and a right of final appeal to the Board of Real Property Assessment and Appeals.
6. Restricts the exemption for any construction or rehabilitation to work that makes the building “fit for occupancy.”

While the law has only been in effect for several months, there are already improvements:

- A number of exemptions for demolition permits, allowable under the old law, have been denied.
- As a result of the spring mailing to over 1,700 then-registered vacant property owners, some vacant properties have already lost their exemptions.

- We began a comprehensive survey of the District to ensure that we account for vacant properties in every single neighborhood. (To date, we've completed Ward 8 and significant portions of Wards 5, 6 and 7.)
- We've identified and sent registration notices to more than 600 additional properties.
- We've noted changes in activity: property owners are more actively seeking building permits and sales contracts in order to get their properties removed from the vacant property list.
- We've utilized the newly-enacted Summary Enclosure of Nuisance Vacant Property Amendment Act of 2006 to secure or force owners to secure over 35 vacant properties.
- We've aggressively pursued cases before the Board of Condemnation of Insanitary Buildings (BCIB) to force owners to take responsibility for dilapidated vacant properties. In two cases, DCRA caused severely dilapidated buildings to be razed.

We've made several other innovations to address vacant property problems:

- Establishing a better working relationship with the Department of Housing and Community Development (DHCD) to refer vacant properties for consideration as Home Again Program sites;
- Training Housing Inspectors to refer properties to the Vacant Property Unit; and to identify vacant properties that are candidates for BCIB action.
- Making vacant property the pilot effort under DCRA's Comprehensive Property Management System (CPMS). The Vacant Property Pilot Program will launch next month – 6 months ahead of the overall program. This will allow us to more efficiently identify, inspect, and track vacant property data – including exemption period expirations.
- Finally, effective October 1, 2007 DCRA acquired six additional full time employee positions to augment our Vacant Property Unit and to assume the function of the vacant property program that was transferred from OTR. These additional staff will assist, among other things, in writing notices of violations that will encourage vacant property owners to bring their properties into productive housing or other appropriate uses.

Chairman Cheh and Councilman Evans, thank you for allowing me to address this important issue today. This concludes my prepared remarks. I'm happy to respond to your questions.